

Program D: Uncompensated Care Costs

Program Authorization: The Constitution of Louisiana (1974) Article 12, Section 8, and Public Law 89-97. The Balanced Budget Act of 1997 (Public Law 105-33), as amended by technical amendments (Public Law 105-100).

Program Description

The mission of the Uncompensated Care Cost Payments Program (formerly known as Disproportionate Share [DSH] payments) is to encourage hospitals and providers to serve uninsured and indigent clients. As a result, the client's quality and access to care is improved. Prior to 1989, all uncompensated medical costs (100%) for the uninsured were financed by the State General Fund. As a result of the Uncompensated Care Cost Program, these state general funds are now matched with federal funds to cover 100% of cost.

The goal of the Uncompensated Care Costs (UCC) Payments Program is to reduce reliance on the State General Fund to cover Medicaid expenditures. This program provides payments to the following: LSU Medical Center, LSU Health Sciences Center Health Care Services Division, DHH Psychiatric Hospitals and Private Hospitals.

Federal law requires that Medicaid UCC payments be made to qualifying hospitals. Under federal law, UCC payments to each UCC hospital may not exceed that individual hospital's uncompensated costs. The state has the flexibility in varying payment methodologies according to type of hospital as long as certain criteria mandated by federal regulations are met.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$246,488,780	\$177,980,600	\$177,980,600	\$232,897,927	\$173,239,960	(\$4,740,640)
STATE GENERAL FUND BY:						
Interagency Transfers	1,582,102	789,188	1,425,704	936,516	1,251,056	(174,648)
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	0	0	0	1,558,627	1,545,176	1,545,176
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	578,832,058	626,262,076	627,768,711	631,000,000	601,613,418	(26,155,293)
TOTAL MEANS OF FINANCING	\$826,902,940	\$805,031,864	\$807,175,015	\$866,393,070	\$777,649,610	(\$29,525,405)
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	0	0	0	0	0	0
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0
Total Other Charges	826,902,940	805,031,864	807,175,015	866,393,070	777,649,610	(29,525,405)
Total Acq. & Major Repairs	0	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$826,902,940	\$805,031,864	\$807,175,015	\$866,393,070	\$777,649,610	(\$29,525,405)
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

SOURCE OF FUNDING

The Uncompensated Care Cost Program is funded with State General Fund, Interagency Transfers, Statutory Dedications, and Federal Funds. Interagency Transfers are derived from the Office of Urban Affairs and Development for match with Federal Funds to pay W.O. Moss Regional Medical Center for oncology services. (Per R.S. 39:36B. (8), see table below for a listing of expenditures out of each statutory dedication fund.) Statutory Dedications are from the Deficit Elimination Fund. Federal Funds represent financial participation in the Medicaid program.

	ACTUAL	ACT 12	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
	2000-2001	2001-2002	2001-2002	2002-2003	2002-2003	OVER/(UNDER)
						EXISTING
Deficit Elimination Fund	\$0	\$0	\$0	\$1,558,627	\$1,545,176	\$1,545,176

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$177,980,600	\$805,031,864	0	ACT 12 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$0	\$235,690	0	Increase in Interagency Transfers of \$70,000 and Federal Funds of \$165,690 for Uncompensated Care Cost payments to W.O. Moss Regional Medical Center for oncology services
	\$1,907,461		Increase in Interagency Transfers of \$566,516 and Federal Funds of \$1,340,945 for Uncompensated Care Cost payments to the Office of Mental Health for increased costs
\$177,980,600	\$807,175,015	0	EXISTING OPERATING BUDGET - December 20, 2001
\$0	\$1,134,861	0	Other Annualizations - Net funding of the Civil Service pay increase for certain classes in State facilities
\$0	(\$1,647,097)	0	Other Non-Recurring Adjustments - Non-recur funding for Medicaid payments to Leonard J. Chabert Medical Center for capital improvements and equipment for non-recurring match
\$3,148,672	\$16,343,481	0	Other Adjustments - Match rate funding to balance budgeted expenditures for Uncompensated Care Cost providers
\$0	(\$45,356,650)	0	Other Adjustments - Decrease in the amount to be certified by the large public hospitals for an intergovernmental transfer including Federal Funds (\$13,026,430 decreased match for \$32,330,220 in Federal Funds)
(\$7,889,312)	\$0	0	Net Means Of Financing Substitutions - Decrease in State General Fund and a corresponding increase in Federal Funds for the match rate change from 29.70% to 28.72% in state participation and from 70.30% to 71.28% for federal participation
\$173,239,960	\$777,649,610	0	TOTAL RECOMMENDED
(\$173,027,094)	(\$776,908,435)	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$212,866	\$741,175	0	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE:
\$153,699,433	\$693,373,551	0	This supplementary recommendation represents 88.7% of the State General Fund recommendation (\$173.2 million) and 89.2% of the total budget recommendation (\$777.6 million) for this program.
\$153,699,433	\$693,373,551	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 3% SALES TAX BASE
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE:
\$5,634,607	\$23,713,648	0	This supplementary recommendation represents 3.3% of the State General Fund recommendation (\$173.2 million) and 3% of the total budget recommendation (\$777.6 million) for this program.
\$5,634,607	\$23,713,648	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE SUSPENSION OF EXEMPTIONS TO THE 1% SALES TAX BASE
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE 4¢ PER CIGARETTE PACK TOBACCO TAX RATE:
\$5,325,471	\$23,407,652	0	This supplementary recommendation represents 3.1% of the State General Fund recommendation (\$173.2 million) and 3% of the total budget recommendation (\$777.6 million) for this program.
\$5,325,471	\$23,407,652	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE 4¢ PER CIGARETTE PACK TOBACCO TAX RATE

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE INDIVIDUAL INCOME TAX LIMITATION ON EXCESS ITEMIZED DEDUCTIONS:
\$6,217,785	\$27,329,740	0	This supplementary recommendation represents 3.6% of the State General Fund recommendation (\$173.2 million) and 3.5% of the total budget recommendation (\$777.6 million) for this program.
\$6,217,785	\$27,329,740	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE INDIVIDUAL INCOME TAX LIMITATION ON EXCESS ITEMIZED DEDUCTIONS
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE AUTOMOBILE RENTAL
\$2,149,798	\$9,083,844	0	This supplementary recommendation represents 1.2% of the State General Fund recommendation (\$173.2 million) and 1.2% of the total budget recommendation (\$777.6 million) for this program.
\$2,149,798	\$9,083,844	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT UPON RENEWAL OF THE AUTOMOBILE RENTAL EXCISE TAX
\$173,239,960	\$777,649,610	0	GRAND TOTAL RECOMMENDED

PROFESSIONAL SERVICES

This program does not have funding for Professional Services for Fiscal Year 2002-2003.

OTHER CHARGES

\$41,477,183	Reimbursements to Private, Rural Hospitals for the provision of medical services to patients who are uninsured and ineligible for the State's Medicaid program
\$526,718,372	LSU Health Sciences Center - Health Care Services Division

\$568,195,555	SUB-TOTAL OTHER CHARGES
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Interagency Transfers:

Interagency Transfers for the reimbursement to following public providers for the provision of medical services to patients who are uninsured and ineligible for the State's Medicaid program:

\$116,849,908	LSU Health Sciences Center - Shreveport
\$91,855,473	Office of Mental Health
\$748,674	Villa Feliciana Medical Complex

\$209,454,055	SUB-TOTAL INTERAGENCY TRANSFERS
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\$777,649,610	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2002-2003.